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OPERATIONS COORDINATING BOARD
Washington 25, D. C.

November 16, 1954

SPECIAL STATUS REPORT ON U. S. AID PROGRAMS FOR PAKISTAN IN FISCAL YEAR 1955

Military Assistance Program

The Military Assistance Agreement was signed May 19, 1954. The Agreement provides that the full MAAG complement will be in Pakistan by September, 1956. At the present time 20 officers are in Pakistan out of the total authorized complement of 37. The authorized complement and complement already in Pakistan are as follows:

	Authorized	Now in Pakistan
Army	20	13
Air Force	10	3
Navy	7	4

Army and Air Force expect to complete their authorized complements in about 8 months; Navy in about 3 months.

Initial shipments of Army materiel began in November, 1954; Navy materiel is scheduled for shipment in February; and Air Force materiel is scheduled for March.

Economic Assistance Program

The economic assistance program for Pakistan for fiscal year 1955 is as follows:

$5.5 million for flood relief (Part of this amount was used in East Bengal) -- Moving forward for West Pakistan and an amendment of the previous flood relief agreement will be effected by an exchange of notes in the near future. Relief delivered or in process.

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$5.3 million for technical assistance -- Programming discussions being carried on by USOM at Karachi.

$20 million defense support loan for economic development -- Covered by PL 665 agreement now being negotiated with Government of Pakistan. Drafts of the Export-Import Bank agreement and promissory note are to be presented to the Government of Pakistan within the next 24 hours.

$40 million defense support grant -- Also covered by PL 665 agreement now being negotiated.

$37 million emergency commodity aid program -- To be provided under PL 480.

There is still no resolution of the Executive Branch position with respect to the use of PL 480 for the $37 million commodity aid program. Although Mr. Francis has indicated that he agrees with the OCB proposal with respect to the division of the programs between Titles I and II under PL 480 ($27 million under Title I, $10 million under Title II), the Department of Agriculture does not agree with the OCB suggestion on the use of the foreign currency proceeds from sales under Title I and still questions the use of Title II.